

Program A: Louisiana State Racing Commission (LSRC)

Program Authorization: R.S. 4:141 et seq.

PROGRAM DESCRIPTION

The mission of the Louisiana State Racing Commission Program is to provide efficient, effective leadership, supervision, and administrative support necessary to operate its regulatory and administrative functions in administering and processing all horse racing activities which are described in the official **Rules of Racing** published by the LSRC from official statutes.

The goals of the Louisiana State Racing Commission Program are:

1. Promote and ensure integrity in the conduct of live horse racing in the State of Louisiana.
2. Regulate all horse racing activities in Louisiana in compliance with statutes.
3. Encourage the growth of thoroughbred and quarter horse breeding in Louisiana.

The Louisiana State Racing Commission Program includes the following activities:

1. Executive Administration – Supervises and operates all of the LSRC administrative activities throughout the State of Louisiana including hiring, training, and rating employees; scheduling work assignments; forecasting revenues and pari-mutuel handle and providing information for budgets and fiscal impact reports.
2. Licensing and Regulation – Operates the LSRC field offices at each race track and the Audit Division. Performs all licensing and regulatory functions for the LSRC which are necessary to control eligibility of people and horses to work and or compete in horse racing in Louisiana and to collect all State of Louisiana revenue from horse racing and pari-mutuel wagering, attendance taxes, licenses, fines and test fees.
3. Breeder Awards – Based on self generated revenues from a percentage of total wagers paid and on percentage of total taxes on off track wagers in Louisiana. These self generated revenues are disbursed out as breeder awards to the Louisiana bred horses based on formulas created by the Louisiana Thoroughbred Horse Breeders Association (LTBA) and the Louisiana Quarter Horse Breeders Association (LQBHA) for quarter horses according to statutes as described in the Rules of Racing

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) Through the Executive Administration activity, to oversee all horse racing and related wagering and to maintain administrative expenses at less than 25% of all self-generated revenue.

Strategic Link: *This objective ties directly to the Louisiana State Racing Commission Strategic Plan Objective I.1., to accomplish same through 2003.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Administrative expenses as a percentage of self-generated revenue.	22.8%	20.67%	22.8%	22.8%	22.8%	22.8%
K	Annual amount wagered at race tracks and OTB's ¹ (in millions)	\$393	\$398	\$363	\$363	\$363	\$363
K	Cost per race	\$1,526	\$1,497	\$1,517	\$1,517	\$1,618	\$1,618

¹ There are currently 4 race tracks and 13 Off Track Betting (OTB) facilities.

2. (SUPPORTING) Through the Licensing and Racing activity, to license all qualified applicants.

Strategic Link: *Ties directly to the Louisiana State Racing Commission Strategic Plan Objective II.1, to accomplish through 2003.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of licenses issued	13,860	14,592	14,500	14,500	14,500	14,500

¹ New indicator added for FY 2000-2001, therefore the indicator does not have a yearend performance standard for FY 1998-1999, or an Act 10 standard for FY 1999-2000.

3. (KEY) Through the Licensing and Regulation activity, to test at least 15 horses and 3 humans per live race day so that no more than 1.9% of horses, and no more than 4.1% of humans will test positive.

Strategic Link: This objective ties directly to the Louisiana State Racing Commission Strategic Plan, Objective II.2 to accomplish same through 2003.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percentage of horses testing positive ¹	Not applicable ¹	1.9%	Not applicable ¹	1.9%	1.9%	1.9%
K	Percentage of humans testing positive ¹	Not applicable ¹	4.1%	Not applicable ¹	4.1%	4.1%	4.1%
S	Number of equine samples tested annually	5,340	5,180	5,270	5,270	5,220	5,220
S	Number of human samples tested annually	1,065	1,125	1,120	1,120	1,120	1,120
S	Number of cases heard	60	35	45	45	45	45
S	Percentage of cases overturned	1.6%	0%	0%	0%	0%	0%

¹ New indicators added for FY 2000-2001, therefore the indicators have no yearend standard for FY 1998-1999, or an Act 10 standard for FY 1999-2000.

4. (KEY) Through the Breeder Awards activity, to continue to issue 100% of the breeder awards within 60 days of a race.

Strategic Link: This objective ties directly to the Louisiana State Racing Commission Strategic Plan Objective III.1, to accomplish same through 2003.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Percent of awards issued within 60 days of race	100%	100%	100%	100%	100%	100%
K	Annual amount of breeder awards paid	\$2,413,560	\$2,388,000	\$2,309,419	\$2,309,419	\$2,439,895	\$2,439,895

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	5,198,532	5,615,222	5,615,222	5,622,195	5,699,675	84,453
Statutory Dedications	3,249,926	3,170,000	3,360,228	3,360,228	3,360,228	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u>\$8,448,458</u>	<u>\$8,785,222</u>	<u>\$8,975,450</u>	<u>\$8,982,423</u>	<u>\$9,059,903</u>	<u>\$84,453</u>
EXPENDITURES & REQUEST:						
Salaries	\$1,226,440	\$1,358,845	\$1,354,697	\$1,343,730	\$1,338,464	(\$16,233)
Other Compensation	53,515	94,256	87,072	87,072	87,072	0
Related Benefits	240,850	285,601	289,199	286,813	301,021	11,822
Total Operating Expenses	375,323	496,649	476,649	505,586	482,568	5,919
Professional Services	32,550	29,507	56,907	58,045	56,907	0
Total Other Charges	6,519,780	6,425,814	6,614,055	6,693,777	6,787,381	173,326
Total Acq. & Major Repairs	0	94,550	96,871	7,400	6,490	(90,381)
TOTAL EXPENDITURES AND REQUEST	<u>\$8,448,458</u>	<u>\$8,785,222</u>	<u>\$8,975,450</u>	<u>\$8,982,423</u>	<u>\$9,059,903</u>	<u>\$84,453</u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	13	13	13	13	13	0
Unclassified	65	65	65	65	65	0
TOTAL	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>0</u>

Contingent on legislation being enacted in the 1st Extraordinary Session of 2000. (1) The following activity will be transferred to the appropriate state department (s): All activities of the Louisiana Racing Commission.

SOURCE OF FUNDING

This program is funded from Fees and Self-generated Revenues and from Statutory Dedications. Fees and Self-generated Revenues are from taxes collected on para-mutual wagering, admissions, occupational licenses, fines, forfeited appeal fees and examination fees. The Statutory Dedications are derived from payments of franchise fees as required for owners of video draw poker devices, and provide funding to the Video Draw Poker Device Purse Supplement Fund (VDPDPSF). The funds from the Video Draw Poker Device Purse Supplement Fund (VDPDPSF) are provided to licensed Racing Associations. Two thirds of the appropriated funds from the VDPDPSF are available to licensed racing associations for purse supplements based upon the proportion of the number of thoroughbred race days conducted statewide annually. One third of the funds appropriated from the VDPDPSF are available to the La. Quarterhorse Breeder Association. (Per R.S.39:32B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.)

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
Video Draw Poker Device Purse Supplement Fund	\$3,249,926	\$3,170,000	\$3,360,228	\$3,360,228	\$3,360,228	\$0

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$8,785,222	78	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$190,228	0	Increase in Statutory Dedications - Video Draw Poker Supplemental Funds that provides funding for the sole purpose of supplementing purses for Louisiana Bred horses. Two-thirds of the funds appropriated are provided to racing associations which conduct live thoroughbred horse racing; one-third of the funds are allocated to the Louisiana Quarterhorse Breeders Association to be used to supplement Louisiana Bred quarterhorses
\$0	\$8,975,450	78	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$21,076	0	Risk Management Adjustment
\$0	\$1,090	0	Acquisitions & Major Repairs
\$0	(\$96,871)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$231	0	Legislative Auditor Fees
\$0	(\$68)	0	UPS Fees
\$0	\$13,888	0	Salary Base Adjustment
\$0	(\$27,639)	0	Attrition Adjustment
\$0	\$229	0	Civil Service Fees
\$0	(\$47,612)	0	Continuation of reductions imposed by Executive Order MJF 99-52 in FY 00-01
\$0	\$77,081	0	Other Adjustments - Increase in Self-Generated revenues to reflect latest projections used in calculation of Breeder Awards. These awards are used to provide horses to be bred, raised, trained, and raced in Louisiana with all of the supporting services such as feed, grooms, jockeys, veterinarians, etc.
\$0	\$5,400	0	Other Adjustments - ISIS HR Network
\$0	\$11,470	0	Other Adjustments - Indirect Cost Adjustment
\$0	\$51,300	0	New And Expanded Adjustments - Drug Testing for horses
\$0	\$41,878	0	New And Expanded Adjustments - Computer lines for new system
\$0	\$33,000	0	New And Expanded Adjustments - LSU contract for drug testing
\$0	\$9,059,903	78	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$9,059,903	78	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001

SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:			
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:			
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$9,059,903	78	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 100.9% of the existing operating budget. It represents 98.3% of the total request (\$9,218,531) for this program. The major changes reflected in the analysis of recommendation include: decreased funding per Executive Order MJF 99-52; increased funding for Drug Testing for horses \$51,300; increased funding for Computer lines for new Computer System \$41,878; increased funding for Breeders Awards \$77,081; and increased funding for a LSU contract for Drug Testing \$33,000.

PROFESSIONAL SERVICES

\$4,000	Court Reporters - to record and transcribe proceedings at commission hearings
\$1,007	Professional and Expert Witness fees for testifying at commission hearings
\$3,000	Medical Review Officer for the drug testing (human) program
\$1,500	Travel allowances for Court Reporters and Professional and Expert Witnesses
\$15,000	Participation in the drug testing and quality assurance program, Association of Racing Commissioners Int.
\$5,000	Investigations and searches of any type, as provided by the Rules of Racing and the statutes
\$27,400	Developing the conceptual design for the financial database computer system
\$56,907	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$12,318	Legislative Auditor Expenses
\$2,200	Commission Hearing Rooms - to review cases on rule infractions and to approve requests
\$1,196,671	Breeders' Awards - Thoroughbreds
\$800,000	Breeders' Awards - Quarterhorses
\$443,224	Breeders' Awards - Off Track Betting
\$3,360,228	Purse Supplements - Video Draw Poker Device Purse Supplement Fund
\$436,200	Chemical or other analysis on equine specimens
\$22,800	Threshold Drug Testing
\$25,800	Chemical or other analysis on human specimens
\$6,000	Criminal History Checks
\$6,305,441	SUB-TOTAL OTHER CHARGES

Interagency Transfers:

\$424,229	Reimbursement for Fiscal, Information Systems and Human Resources support services to the Office of the Secretary
\$53,836	Fees for services provided by the Department of Justice
\$1,629	Pro-rata share of the cost of operations of the Department of Civil Service
\$2,123	Pro-rata share of the cost of operations of the Uniform Payroll System
\$123	Pro-rata share of the cost of the Comprehensive Public Training Program

\$481,940 SUB-TOTAL INTERAGENCY TRANSFERS

\$6,787,381 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$1,090	Replacement Equipment
\$5,400	ISIS HR (Human Resources) Network

\$6,490 TOTAL ACQUISITIONS AND MAJOR REPAIRS